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FISCAL IMPACT STATEMENT

LS 6320
BILL NUMBER: SB 107

NOTE PREPARED: Dec 10, 2002
BILL AMENDED:

SUBJECT: Mandatory Coverage of Bone Density Testing.

FIRST AUTHOR: Sen. Antich
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires group health insurers, health maintenance organizations, and group health coverage programs for public employees to provide coverage for bone density testing for a woman who is at least 45 years of age.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The cost of this bill varies depending upon frequency of testing.. The cost of providing this benefit is estimated at approximately \$200,000 for annual screening and \$71,000 for screening every five years. It is unknown at this time if the state would absorb this cost or pass the cost on to employees.

Two of the state's insurance providers indicate that the benefit would increase premium rates. Four health insurance providers already cover this benefit for state employees.

Explanation of State Revenues:

Explanation of Local Expenditures: Local government groups enrolled in the Local Unit Government Employee (LUGE) health plan may experience increased rates as well. The LUGE participants have the same benefits as state employees, but are part of a separate risk pool. Cost to the LUGE will be disproportionately higher than that for state employees, due in part to a smaller risk pool and adverse selection. There are currently 28 local government groups enrolled in the plan providing coverage for 868 employees.

In addition, school corporations and local governments purchasing health benefit coverage on their own may

incur increased premiums due to the effects of this mandate.

It is unknown if local units would absorb this cost or pass the cost on to employees as cost sharing of health benefit premiums varies widely by locality.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: School districts and local governments purchasing health benefit coverage.

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